

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$14.37 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$1.27 /LB

EFFECTIVE DECEMBER 1, 2000:

The minimum price to pay milk producers, under ARM 32.24.301, is \$14.37 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 12.7 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.27.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$11.83 /CWT

Average spray process dry milk solids

price per pound = \$1.03750
Multiplied by 8.2 x 8.2

\$8.50750

\$8.50750

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.05300
Multiplied by 4.2 x 4.2

\$4.42260

+ \$4.42260

\$12.93010

LESS a make allowance of 8.5% (\$12.9301 X .085)

- \$1.09906

\$11.83104

Rounded to the nearest whole cent = \$11.83 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$1.17 /LB**

Last quote of the month for Grade AA butter				
minus a differential of \$.0895	=	\$1.05300	X .111)	=
Rounded to the nearest half cent				=
				\$0.11688
				\$0.117

Butterfat value per pound
for milk at 3.5% test: \$1.17

Hundredweight price of milk testing 3.5%			=	\$11.83
LESS 3.5 pounds of butterfat at	\$1.17	per pound	-	\$4.095
Value of 96.5 pounds of skim			=	\$7.735

CLASS II VALUE OF
ONE POUND OF SKIM

7.735 / 96.5 pounds)	=	\$0.08016 /LB
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PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$10.14 /CWT**

3.5 pounds of butterfat	\$0.95	per pound =	\$3.325
96.5 pounds of skim	\$0.07061	per pound =	\$6.814
			\$10.139 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$0.95 /LB**

Last quote of the month for Grade AA butter	
minus a difference of \$.0895	= \$1.05300
LESS 10%	\$0.10530
	\$0.94770

Rounded to the nearest whole cent \$0.95 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$7.06123 /CWT**

Avg. spray process dry milk solid price/lb	\$1.03750
Multiplied by 8.2	8.2
	\$8.50750
LESS 17%	\$1.44628
	\$7.06123

Rounded to the nearest whole cent \$7.06 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marilyn M. Mattfeldt
Marilyn M. Mattfeldt, Bureau Chief
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$14.37 FOR 3.5% MILK 96.5 LBS = \$9.925		CLASS II SKIM PRICE BASED ON \$11.83 FOR 3.5% MILK 96.5 LBS = \$7.735		CLASS III SKIM PRICE BASED ON \$10.14 FOR 3.5% MILK 96.5 LBS = \$6.814	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10179	2.50	\$0.07933	2.50	\$0.06989
2.55	\$0.10185	2.55	\$0.07937	2.55	\$0.06992
2.60	\$0.10190	2.60	\$0.07941	2.60	\$0.06996
2.65	\$0.10195	2.65	\$0.07946	2.65	\$0.07000
2.70	\$0.10200	2.70	\$0.07950	2.70	\$0.07003
2.75	\$0.10206	2.75	\$0.07954	2.75	\$0.07007
2.80	\$0.10211	2.80	\$0.07958	2.80	\$0.07010
2.85	\$0.10216	2.85	\$0.07962	2.85	\$0.07014
2.90	\$0.10221	2.90	\$0.07966	2.90	\$0.07018
2.95	\$0.10227	2.95	\$0.07970	2.95	\$0.07021
3.00	\$0.10232	3.00	\$0.07974	3.00	\$0.07025
3.05	\$0.10237	3.05	\$0.07978	3.05	\$0.07028
3.10	\$0.10243	3.10	\$0.07982	3.10	\$0.07032
3.15	\$0.10248	3.15	\$0.07987	3.15	\$0.07036
3.20	\$0.10253	3.20	\$0.07991	3.20	\$0.07039
3.25	\$0.10258	3.25	\$0.07995	3.25	\$0.07043
3.30	\$0.10264	3.30	\$0.07999	3.30	\$0.07047
3.35	\$0.10269	3.35	\$0.08003	3.35	\$0.07050
3.40	\$0.10274	3.40	\$0.08007	3.40	\$0.07054
3.45	\$0.10280	3.45	\$0.08011	3.45	\$0.07058
3.50	\$0.10285	3.50	\$0.08016	3.50	\$0.07061
3.55	\$0.10290	3.55	\$0.08020	3.55	\$0.07065
3.60	\$0.10296	3.60	\$0.08024	3.60	\$0.07069
3.65	\$0.10301	3.65	\$0.08028	3.65	\$0.07072
3.70	\$0.10306	3.70	\$0.08032	3.70	\$0.07076
3.75	\$0.10312	3.75	\$0.08036	3.75	\$0.07080
3.80	\$0.10317	3.80	\$0.08041	3.80	\$0.07083
3.85	\$0.10322	3.85	\$0.08045	3.85	\$0.07087
3.90	\$0.10328	3.90	\$0.08049	3.90	\$0.07091
3.95	\$0.10333	3.95	\$0.08053	3.95	\$0.07094
4.00	\$0.10339	4.00	\$0.08057	4.00	\$0.07098
4.05	\$0.10344	4.05	\$0.08061	4.05	\$0.07102
4.10	\$0.10349	4.10	\$0.08066	4.10	\$0.07105
4.15	\$0.10355	4.15	\$0.08070	4.15	\$0.07109
4.20	\$0.10360	4.20	\$0.08074	4.20	\$0.07113
4.25	\$0.10366	4.25	\$0.08078	4.25	\$0.07117
4.30	\$0.10371	4.30	\$0.08083	4.30	\$0.07120
4.35	\$0.10376	4.35	\$0.08087	4.35	\$0.07124
4.40	\$0.10382	4.40	\$0.08091	4.40	\$0.07128
4.45	\$0.10387	4.45	\$0.08095	4.45	\$0.07131
4.50	\$0.10393	4.50	\$0.08099	4.50	\$0.07135

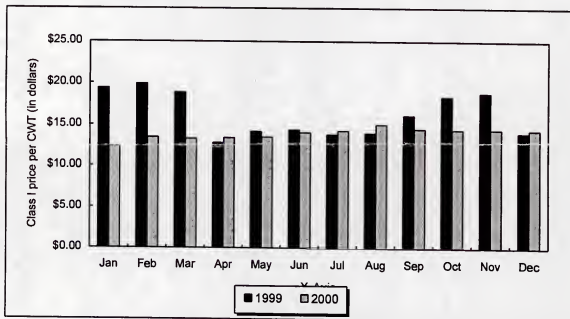
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1999 and 2000

Statistics from the Montana Milk Control Bureau

Month	1999	2000	Difference	% Change
January	\$19.39	\$12.34	(\$7.05)	-36.36%
February	\$19.89	\$13.45	(\$6.44)	-32.38%
March	\$18.82	\$13.26	(\$5.56)	-29.54%
April	\$12.82	\$13.39	\$0.57	4.45%
May	\$14.17	\$13.48	(\$0.69)	-4.87%
June	\$14.36	\$14.03	(\$0.33)	-2.30%
July	\$13.81	\$14.25	\$0.44	3.19%
August	\$13.97	\$15.01	\$1.04	7.44%
September	\$16.14	\$14.50	(\$1.64)	-10.16%
October	\$18.34	\$14.39	(\$3.95)	-21.54%
November	\$18.81	\$14.44	(\$4.37)	-23.23%
December	<u>\$14.04</u>	<u>\$14.37</u>	<u>\$0.33</u>	<u>2.35%</u>
Average	\$16.21	\$13.91	(\$2.30)	-11.91%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

SEP 2000: class I = \$9.89; class II = \$1.33; Class III = \$2.18; total = \$13.40

(calculations based upon utilization percentages of butterfat & skim)